

Mayor's Office of Equal Opportunity

Building Our Future Together: *Diversity & Inclusion: That's how we do business!*

2014 ANNUAL REPORT



*"Self Help means to invest in
the local economy..."*

Frank G. Jackson

April 1, 2015

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The Office of Equal Opportunity exists to advance economic benefit for Clevelanders by ensuring compliance with the following:

- Codified Ordinance 123 Prevailing Wage
- Codified Ordinance 187 Cleveland Area Small Business Code
- Codified Ordinance 188 Cleveland Resident Employment Law
- Codified Ordinance 189 Living Wage

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OEO STAFF

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Jennifer Wiman	Compliance Officer

TERMINOLOGY GUIDE

OEO	Office of Equal Opportunity
CSB	Cleveland Area Small Business Code
MBE	Minority Business Enterprise
FBE	Female Business Enterprise
LGBTE	Lesbian, Gay, Bi-Sexual , Transgender Business Enterprise
LPE	Local Producer Enterprise
SUBE	Local Sustainable Business Program

Notes on Data

- ♦ The data included in this annual report represents contracts and subcontracts awarded to certified and noncertified firms.
- ♦ Data in this report is collected from the Board of Control (BOC).
- ♦ Codified Ordinance 138.07 allows Building & Housing to execute contracts under emergency contract for boarding-up and/or demolition of structures which are found to be unsafe structures and declared public nuisances.

Letter from the Chief



Natoya Walker Minor
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Since 2009, the Mayor's Office of Equal Opportunity has worked diligently to master the art of effective contract compliance while simultaneously serving as an advocate for **Self Help**. For the OEO team, contract compliance is much more than oversight of contracts; it is a matter of providing effective public administration on publicly funded projects.

By mission, OEO exists, ***"To advance equal economic benefit for all Clevelanders by ensuring compliance with contractor goals and requirements; by providing development and supporting activity for contractors; and by advocating for inclusion."*** To achieve our mission, OEO actively interfaces with contracting departments, the Law Department and the Division of Purchasing.

We believe that these relationships are essential to: Ensuring that contractual obligations are achieved; Providing a well-documented audit trail; Ensuring more favorable contract outcomes; Improving quality of service with customer focus; Achieving value for money and financial control; Providing early identification and resolution of performance disputes; and Evaluating specifications against contract performance and changes/variations.

The year 2014 was the second full year of B2GNow and LCP Tracker implementation. OEO spent a significant amount of time providing training and hosted a regional workshop. Training is essential from both a quality service and customer service perspective as a way of ensuring that contractors feel comfortable with the software. We have also added an additional module to capture Section 3 utilization.

In October 2014, after six years of serving as the OEO Director, I hired Melissa Burrows, Ph.D., to serve as my successor. The vision is established and I expect with Melissa's leadership that OEO will continue to thrive as a high performing advocate for inclusion.

Sincerely,

Natoya

Natoya Walker Minor
Chief, Public Affairs

Letter from the Director

I'm excited to take on the role of Director of the Mayor's Office of Equal Opportunity. OEO provides a critical function in all contract compliance including administration, monitoring, and enforcement.

I've listened to the Mayor over the years and prescribe to his model of "Self Help." One of the goals of "Self-Help" is understanding ways in which we as a community can maintain wealth locally. By doing business within the community, local companies benefit.

Through OEO's technology tools, B2GNow and LCP Tracker, the department is able to certify companies doing business with the City of Cleveland. At any given time, we are able to determine the status of projects in terms of progress and workforce inclusion. This allows us to support both contractors and the City as we drive projects to completion, on time, within budget, and meeting OEO goals.

Disparity studies make clear that it is critical to elevate the department to the next level. In addition to continuing professional development, OEO is investigating the exciting possibility of a small contractor rotation program. The OEO staff and I look forward to continuing to work with businesses as they become competitive contractors within the City of Cleveland.

Sincerely,

Melissa

Melissa K. Burrows, Ph.D.
Director, Office of Equal Opportunity



Dr. Melissa K. Burrows
Director

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KEY HIGHLIGHTS 2014

- The City of Cleveland awarded contracts totaling \$147,075,163.00 in 2014
- Currently there are 306 active contracts being monitored by OEO
- City certified subcontractors garnered \$23,548,892.00 worth of award dollars
- CSB/MBE contractors were awarded \$10,300,000.00 in contract dollars
- The City launched a LGBT owned business registry
- OEO conducted capacity building workshops presenting contract, finance, insurance and business information to local businesses
- Currently there are 748 certified contractors
- OEO conducted a national B2GNow Roadshow

B2GNow and LCPTracker Compliance Software

The Office of Equal Opportunity completed its second year of implementation of an IT contract compliance & monitoring system B2G Now and LCPTracker. These tools provide the City of Cleveland with real time certification and compliance reporting; monitoring of MBE, FBE, and CSB firms utilized on contracts; and captures resident and low income employment participation requirements on public improvement contracts. This information is available to the public via the website and can be found at: www.cleveland.diversitycompliance.com. Both B2GNow and LCPTracker are fully



electronic systems allowing for significant cost savings for contractors in both paper and shipping costs, as well as reduced environmental impact.

Cleveland Resident Employment Law (Fannie Lewis Law)
Since 2009, OEO has maintained penalty records assessed to Contractors for failure to comply with the Resident Employment Law

Year	Assessments	Number of Firms	Penalty Hearings	Amount Penalized & Upheld in Year	Amount Collected
2009	17	12	6	\$49,063.00	\$42,593.00
2010	12	9	2	\$43,597.00	\$40,220.03
2011	2	2	0	\$9,748.00	\$20,248.00
2012	12	6	3	\$30,769.53	\$30,769.53
2013	8	6	2	\$89,459.30	\$80,690.97
2014	34	22	9	\$101,883.87	\$67,634.00

Goals and Achievements

OEO administers, monitors, and enforces compliance for MBE, FBE, and CSB on municipal contracts.

Certification Team: Certifies businesses as local, minority, or female owned.

Compliance Team: Monitors for both subcontractor utilization and resident employment.

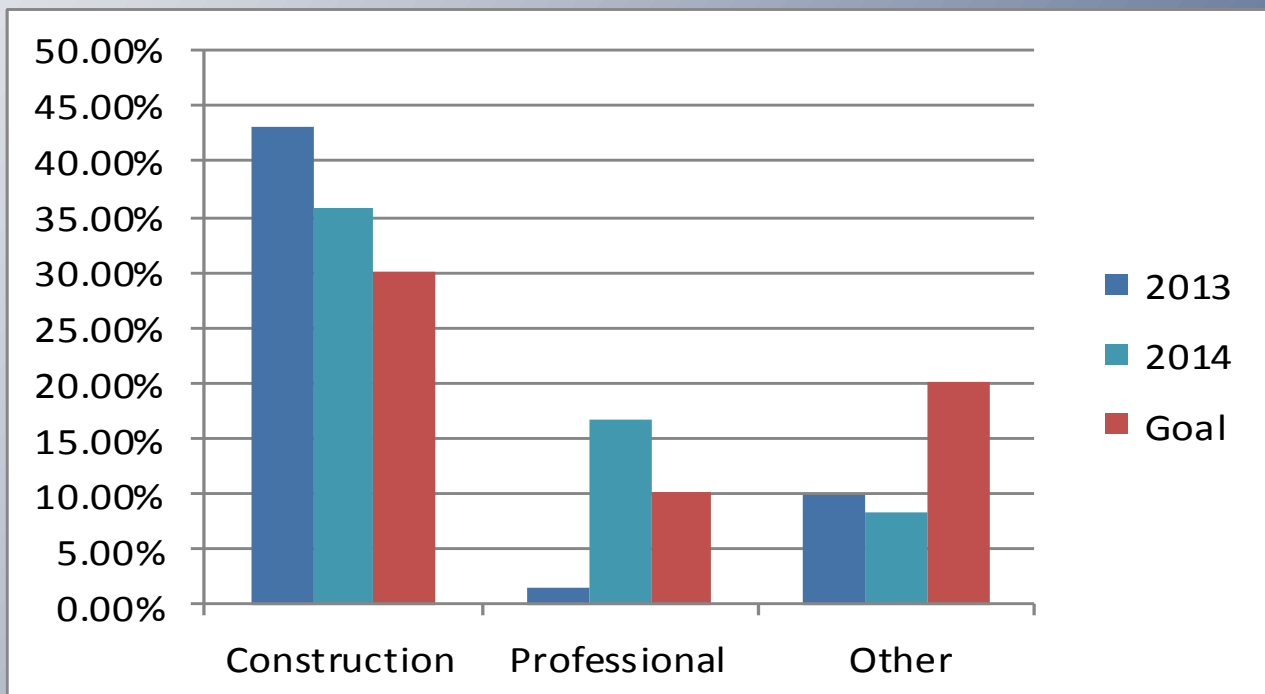
Evaluation Team: Evaluates Good Faith Effort and conducts contract close out analysis. The threshold for good faith effort for subcontractor inclusion is \$50,000. The evaluation is based upon OEO Schedules 1-4.

Good Faith Effort is defined as:

1. Opportunities for Subcontracting;
2. Availability of CSB/MBE/FBE Potential Subcontractors;
3. Bidder's Commitment to CSB/MBE/FBE Subcontractors; and
4. Bidder's Efforts to Subcontract to CSB/MBE/FBE Firms.

Contract Type	Goal	2014 Actual
Design Build	40% CSB	No Contracts Awarded
Horizontal Construction	30% CSB	26% CSB
Vertical Construction	15% M, 7% F, 8% C*	21% overall; see page 18 for details
Other	20% CSB	8% CSB
Professional Services	10% CSB	13% CSB
*M-MBE, F-FBE, C-CSB		

The chart below indicates utilization of MBE, FBE, and CSB. Goals are shown for reference.



Community Development & Economic Development

Community Development & Economic Development contracts represent \$8,273,985 in awards during 2014. CD & ED's combined total contracting award is \$55,781,728 , based on federal and other funding sources.

The following is the breakdown of the certified subcontractor amounts representing total contract value (City plus non-City funding):

	Community Development	Economic Development
Total Contracting (all funding)	\$ 37,761,000	\$ 18,020,728
Certified Subcontractors	\$ 10,224,571	\$ 4,154,701
	27%	23%

The following is the breakdown of the certified subcontractor amounts by certification types:

	CSB	MBE	FBE	CSB/MBE	CSB/FBE	CSB/MBE/ FBE
Community Development	\$1,483,516	\$14,575	\$243,808	\$5,783,013	\$2,344,960	\$354,699
Economic Development	\$1,458,523	\$0	\$195,436	\$1,295,769	\$1,168,764	\$36,209

Note: For Community Development & Economic Development awards, the certified subcontractor amounts cannot be added to City totals due to multiple funding sources.

Building and Housing

The Building & Housing (B&H) Department is unique in that a majority of their projects are defined as “Emergency”. As such, Codified Ordinance 138.07 allows B&H the authority to execute contracts for the boarding-up and/or demolition of structures which are found to be unsafe structures and declared public nuisances immediately.

A large majority of these projects are valued at less than the Council threshold authority, \$50,000. However, to be compliant and in alignment with the Mayoral directive of “Self Help”, B&H has ensured diversity and inclusion in their contracting by utilizing a Small Contract Rotation program.

The table below provides a summary of demolition, asbestos, & survey contractor performance for 2014:

CSB	CSB/MBE	CSB/FBE	MBE	FBE	Total Certified Primes	All Primes
\$76,113	\$405,665	\$258,402	\$166,334	\$12,600	\$919,114	
3.8%	20.4%	13%	8.3%	.63%	46.2%	\$1,990,360

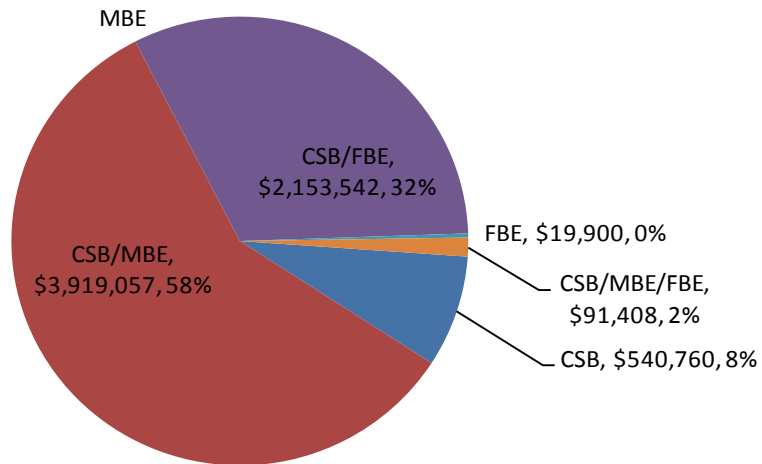
Total Certified Primes	Total Non-Certified Primes	All Primes
\$919,114	\$1,071,247	\$1,990,360
46.2%	53.8%	

Construction

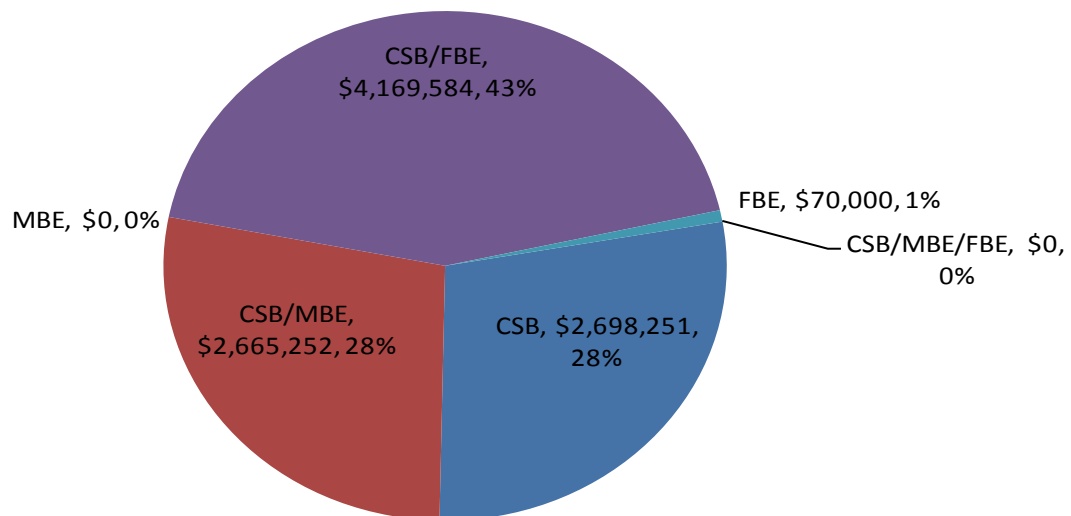
Construction represents \$69,458,441 or 47% of all total City contract awards.

Construction	
Certified Prime contractors	\$24,919,228
Certified Subcontractors	\$16,327,754
**Note: Combining certified sub & prime totals may result in double-counting participation	

Vertical Construction - Subs



Horizontal Construction - Subs

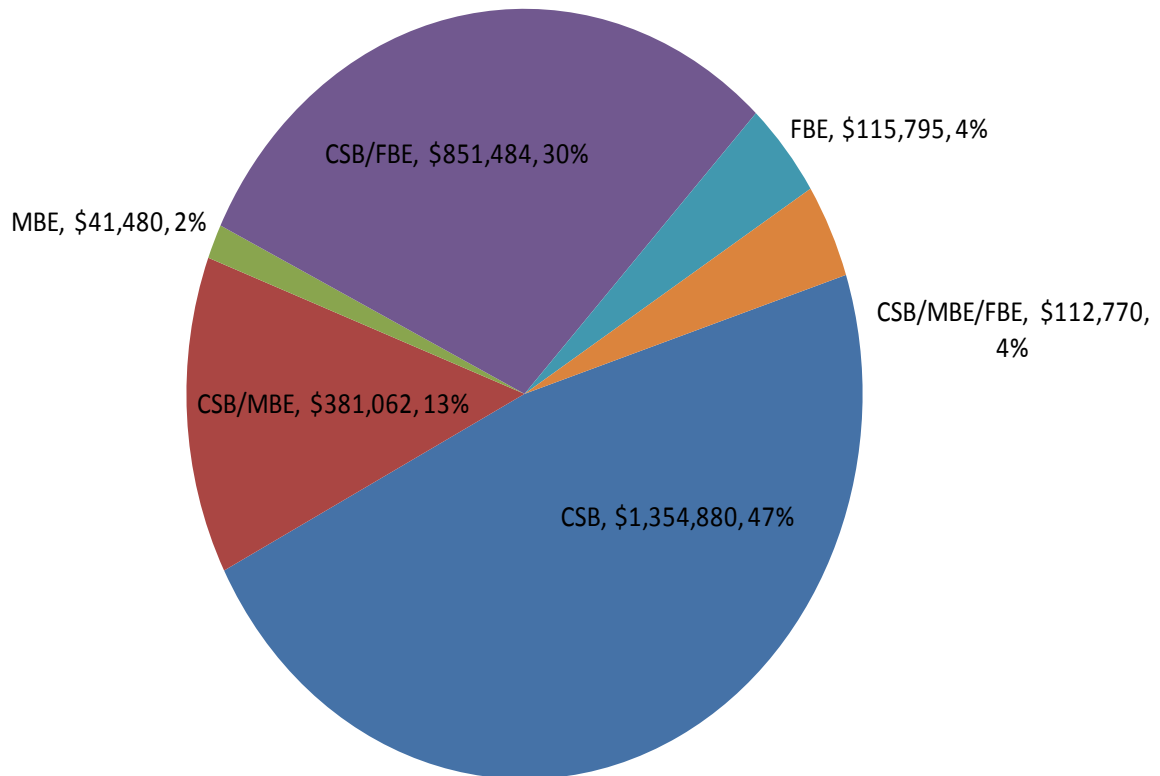


Professional Services

Professional Services represent \$22,269,185 or 15% of all total City contract awards.

Professional Services	
Certified Prime contractors	\$3,730,181
Certified Subcontractors	\$2,857,471
**Note: Combining certified sub & prime totals may result in double-counting participation	

Professional Services - Subs

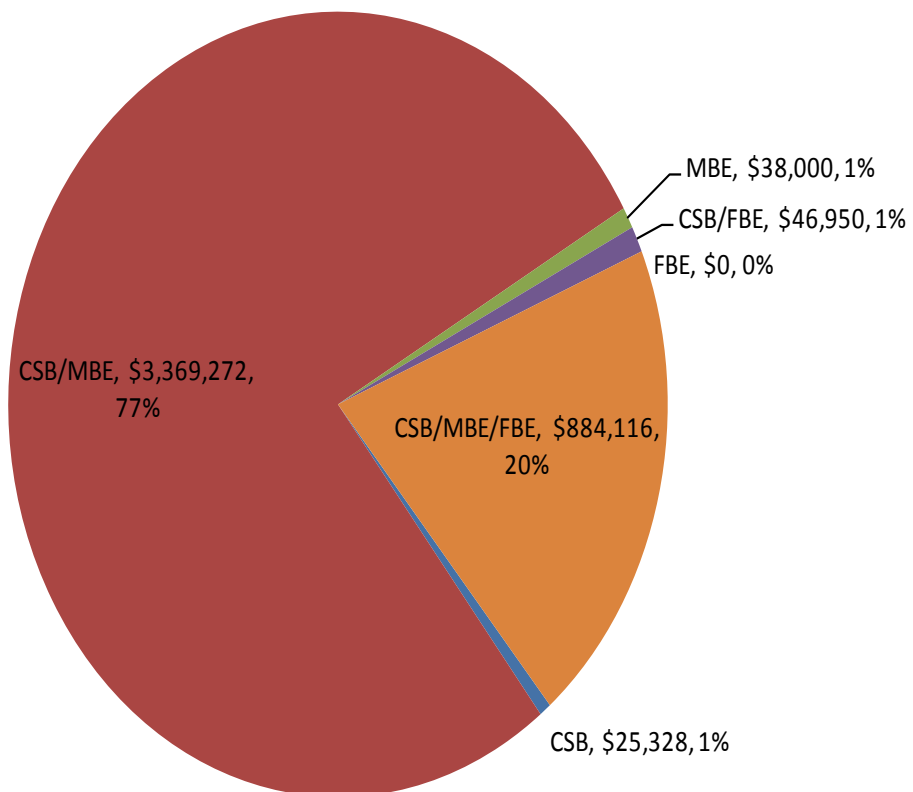


Other Services

Other Services represent \$55,347,538 or 37% of all total City contract awards.

Other Services	
Certified Prime contractors	\$4,527,133
Certified Subcontractors	\$4,363,666
**Note: Combining certified sub & prime totals may result in double-counting participation	

Other - Subs



Flats East Bank Phase II

The Flats East Bank Phase II represents \$59,792,702 of total awards (non-City funds).

Total Awards	\$ 59,792,701	
Total Certified Subs	\$ 21,862,836	37%
Total Non-Certified Subs	\$ 31,230,061	52%



Note: There are no City funds in the Flats East Bank Phase II project. Therefore, these totals are not added into this report's data.

Contractor Remarks



“Cook Paving & Construction commends the City of Cleveland’s efforts for implementing and enforcing the Laws of Fannie Lewis and Low Income Workers for better equality in the City of Cleveland and job growth...”

-Keith Rogers, Cook Paving



“...the LCPTTracker system...makes creating all necessary documents fool proof. I love it.”

-Christine Wirtzberger, Alfieri Brothers

Disparity Study

The City of Cleveland is required to periodically perform a disparity study to track the legitimacy of the program. Disparity studies determine whether barriers exist in the marketplace that may prevent small, minority and/or female-owned businesses from participating in both government and private sector contracting. OEO's most recent disparity study was concluded in December 2012.

45 years of partnership, the James H. Walker Program



The James H. Walker Construction Management Program is sponsored by the City of Cleveland, Turner Construction, and Cuyahoga Community College. The purpose of the program is to build capacity of small businesses by providing them with business management competencies including but not limited to estimating, accounting, marketing, and several other construction management areas that allow construction companies to become more efficient and prosperous.

The Walker program is a twelve session course with classes held once a week. The course is taught by experienced construction and management professionals in the fields that were mentioned and more. To date, over 1,500 entrepreneurs, small as well as major business owners and trades people, have taken this course and are now operating successful and distinguished businesses.

The course is named in honor of the late James H. Walker, a former employee of the City of Cleveland. Mr. Walker advocated for the advancement of minorities in construction and general contracting. In 2014, thirty individuals were a part of the 45th graduating class.

Goals for FY 2015

- ◆ Partner with Cleveland Citywide Development Corporation (CCDC), Workforce Development, Finance and Economic Development (ED)
 - ⇒ Identify a systematic method to track jobs created from construction projects that receive ED grants or loans.
- ◆ Provide a More Robust Small Contractor Rotation Program
 - ⇒ Collaborate with the Division of Purchases & Supplies to explore the possibility of developing a small contractor rotation program.
- ◆ Conduct a 10-year Review of Cleveland Resident Employment Law
 - ⇒ The Cleveland Resident Employment Law has been in effect for 10 years. OEO will analyze what has worked and where we can make improvements.

Doing Business with the City of Cleveland

On the first Tuesday of every month from 10:00 am to 12:00 pm, the City of Cleveland's Division of Purchasing and Supplies hosts an open house for minority owned, female owned, and Cleveland small businesses. The purpose of the open house is to educate attendees on how to compete for City contracts. Participants receive a tour of the Bid Room and meet one-on-one with City Buyers assigned to purchase their type of products.

Tiffany White, Commissioner
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Get Your Business Certified

Effective March 1, 2013, all certification and recertification applications are submitted electronically. Learn more about certification at:

<https://cleveland.diversitycompliance.com>

Policy Recap

Codified Ordinance 187

Cleveland Small Business

- The threshold for Good Faith Effort is \$50,000 for MBE, FBE, and CSB inclusion
- Waivers available for C.O. Chapter 187 Contracts
- All Chapter 187 contracts that are not waived are subject to Good Faith Effort Points

Codified Ordinance 188

Cleveland Resident Employment Law

- Applicable to public improvement contracts greater than \$100,000
- Requires 20% Cleveland residents and 4% Cleveland Low Income Residents
- The Low Income goal is subject to review based on a Significant Efforts Test

Good Faith Effort Evaluation

- Opportunities for subcontracting
- Availability of CSB/MBE/FBE potential subcontractors
- Bidder's commitment to CSB/MBE/FBE subcontractors
- Bidder's effort to subcontract to CSB/MBE/FBE firms

Low Income Resident Employment

Significant Efforts Test

- Attempt at meeting goal/any portion of goal met
- Contact with contract monitor before project begins and during project regarding any potential shortfalls
- Mayor's Emergency Contract
- Resident requirement met
- Contractor past performance with reporting and C.O. Chapter 188

DATA BREAKDOWN

Awards by Contract Type

Awards by Contract Type (Certified Primes Only)

Vertical	\$1,897,740	6%
Horizontal	\$23,021,488	62%
Professional	\$3,730,181	17%
Other	\$4,527,133	8%
TOTAL	\$33,176,542	22%

Awards by Contract Type (Certified Subcontractors Only)

Vertical	\$6,724,667	21%
Horizontal	\$9,603,087	26%
Professional	\$2,857,471	13%
Other	\$4,363,666	8%
TOTAL	\$23,548,892	16%

Note: Each category was divided by that category's total and, therefore, the percentages will not add up to 100%. For example, the vertical construction subcontractor total was divided by the total amount of vertical construction contract dollars.

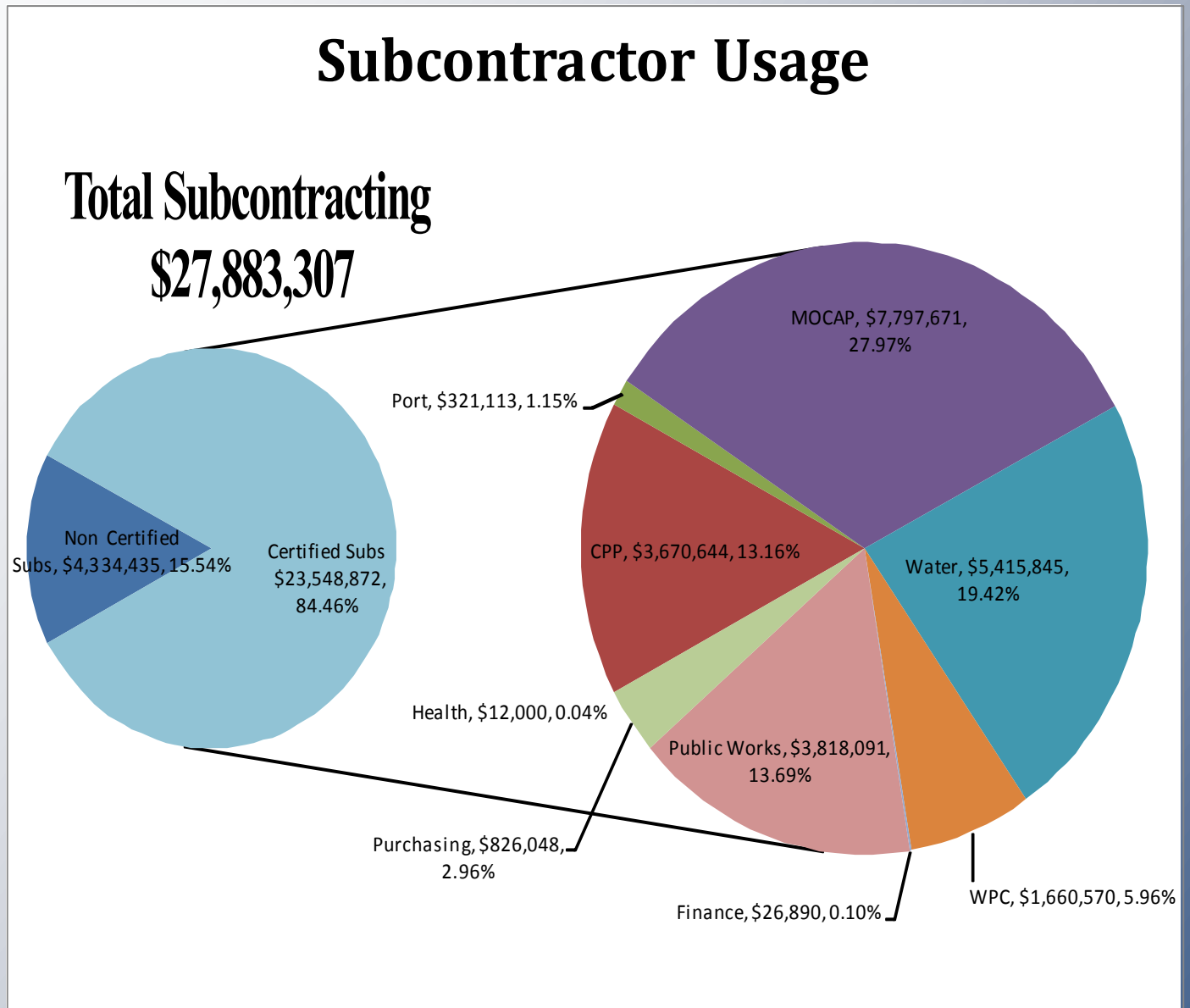
Certified Subcontractors by Type & Department

Departments	CSB	MBE	FBE	CSB/MBE	CSB/FBE	CSB/MBE/ FBE	Totals
CPP	\$519,289	\$0	\$0	\$2,131,424	\$995,883	\$24,068	\$3,670,664
MOCAP	\$2,787,422	\$79,480	\$16,295	\$2,807,307	\$2,066,165	\$41,002	\$7,797,671
CD	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ED	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CWD	\$642,950	\$0	\$98,500	\$1,775,619	\$2,810,886	\$87,890	\$5,415,845
WPC	\$294,396	\$0	\$0	\$426,466	\$939,708	\$0	\$1,660,570
Finance	\$328	\$0	\$0	\$0	\$0	\$26,561	\$26,889
Purchasing	\$0	\$0	\$0	\$0	\$6,000	\$820,048	\$826,048
Health	\$0	\$0	\$0	\$12,000	\$0	\$0	\$12,000
Public Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Control	\$61,450	\$0	\$20,900	\$167,338	\$63,425	\$8,000	\$321,113
Public Works	\$313,384	\$0	\$70,000	\$3,014,489	\$339,493	\$80,725	\$3,818,091
Recreation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
City Council	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$4,619,219	\$79,480	\$205,695	\$10,334,643	\$7,221,560	\$1,088,295	\$23,548,892

Certified vs Non-Certified Subcontractor Award by Department

Departments	Contract Award	Certified Prime Awards	Certified Subcontractor Awards	Non-Certified Subcontractor Awards	Number of Contracts Awarded	Number of Certified Subcontracts Awarded
CPP	\$12,383,563	\$279,409	\$3,670,664	\$484,033	11	6
MOCAP	\$33,344,614	\$10,394,356	\$7,797,671	\$2,760,714	30	19
CD	\$2,907,808	\$312,808	n/a	n/a	9	7
ED	\$5,366,177	\$112,899	n/a	n/a	17	9
CWD	\$52,706,316	\$12,041,051	\$5,415,845	\$824,402	36	16
WPC	\$5,935,849	\$3,861,160	\$1,660,570	\$44,930	9	9
Finance	\$5,949,952	\$1,338,079	\$26,890	\$0	15	3
Purchasing	\$4,439,622	\$218,534	\$826,048	\$0	7	2
Health	\$50,000	\$0	\$12,000	\$0	1	1
Public Safety	\$740,572	\$0	\$0	\$0	3	0
Port Control	\$2,338,974	\$356,756	\$321,113	\$47,100	16	11
Public Works	\$19,315,952	\$3,491,391	\$3,818,091	\$150,443	17	12
Recreation	\$544,164	\$364,500	\$0	\$0	3	0
City Council	\$1,051,600	\$405,600	\$0	\$22,813	8	0
Total	\$147,075,163	\$33,176,542	\$23,548,892	\$4,334,435	182	95

Certified vs Non-Certified Subcontractor Award by Department—Chart





CITY OF CLEVELAND

Mayor Frank G. Jackson

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Cleveland that we love